

Exhibit C

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
) File No. HO-13388-A
KIK INTERACTIVE) AMENDED 12-5-2018

WITNESS: Tanner Philp

PAGES: 1 through 296

PLACE: 100 F Street NE
Washington, D.C. 20002

DATE: Monday, August 20, 2018

The above-entitled matter came on for hearing,
pursuant to notice, at 9:40 a.m.

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1 A I wouldn't be able to quantify it.
 2 **Q Sure.**
 3 A The -- I see more dialogue around the
 4 innovative products that will be built than the
 5 discussion of appreciation of the value of Kin.
 6 **Q You see more posts about that?**
 7 A Yes.
 8 MR. LEASURE: Let's go off the record briefly.
 9 THE VIDEOGRAPHER: This ends disk number two.
 10 Going off the record. The time on the monitor is 3:21
 11 and 35 seconds.
 12 (A recess was taken from 3:21 p.m. to 3:32
 13 p.m.)
 14 THE VIDEOGRAPHER: This begins disk number
 15 three. We are back on the record. The time on the
 16 video monitor is 3:32 and 46 seconds.
 17 BY MR. LEASURE:
 18 **Q After a brief break. Mr. Philp, did you have**
 19 **any substantive conversations about this investigation**
 20 **with SEC staff during the break?**
 21 A No.
 22 **Q Okay.**
 23 **I want to point you to a few lines in Exhibit**
 24 **2, the white paper.**
 25 A Yep.

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1 **Q I have some very basic questions. Page 5, Kik**
 2 **5, under Kik's Vision, section one?**
 3 A Yep.
 4 **Q I'm just going to read a few sentences from**
 5 **the last paragraph that begins: To foster an ecosystem**
 6 **that is not only open and decentralized, but also more**
 7 **compelling than its traditional counterpart, Kik must**
 8 **create a series of new products, services, and systems.**
 9 **What are those new products, services, and**
 10 **systems?**
 11 A The first product that was launched at the
 12 time of the token sale was the ability to have status
 13 within the chat community as well as premium content
 14 that was only accessed by linking the Kik -- the Kin
 15 wallet.
 16 The other iteration to that was then being
 17 able to buy and sell the stickers in a subsequent
 18 iteration to that product.
 19 There was a product introduced that was custom
 20 chat themes that users could earn and spend. Kinit was
 21 another app that was developed by Kik Interactive
 22 employers. As we talked about before, that is
 23 essentially a marketplace that other developers, as well
 24 as advertisers and brands, can plug into that
 25 marketplace and participate in.

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1 **Q So let me pause you right there. Is it then**
 2 **true now, and was it true at the time, that to foster a**
 3 **compelling ecosystem, Kik had to create a series of new**
 4 **products, services, and systems?**
 5 A I believe it was important for Kik -- and I'll
 6 use the term lighthouse again, but it was something that
 7 we had discussed before -- to get the flywheel going and
 8 demonstrate user adoption as well as some initial
 9 product use cases to seed some initial ideation for
 10 other developers to come and build on top of that.
 11 **Q Right.**
 12 **Pointing you to the next section here, A New**
 13 **Digital Currency?**
 14 A Yep.
 15 **Q Do you see that? I just want to read you the**
 16 **last paragraph and confirm: But simply creating a**
 17 **digital currency is not enough. For a cryptocurrency to**
 18 **be viable, it must also be useful and valuable. To**
 19 **establish an economy around the new currency, Kik must**
 20 **help to establish Kin's fundamental value.**
 21 **That last line -- to establish a new economy**
 22 **around the new currency, Kik must help to establish**
 23 **Kin's fundamental value -- is that true?**
 24 A Yes.
 25 **Q And is that still true?**

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1 A I would believe that Kik is contributing to
 2 some of the fundamental value, but I believe there are
 3 others also contributing to this.
 4 **Q Okay. And those are third parties?**
 5 A Third parties.
 6 **Q Under Building Fundamental Value, the next**
 7 **section, the last partial paragraph reads -- begins**
 8 **with: Kik will build fundamental value for the new**
 9 **currency by integrating Kin into its chat app.**
 10 **Do you see that?**
 11 A Yes.
 12 **Q Was that true at the time?**
 13 A Yes.
 14 **Q And is Kik -- is Kin integrated into the Kik**
 15 **chat app?**
 16 A Yes.
 17 **Q Currently today it's fully integrated?**
 18 A Yes.
 19 **Q Okay. When would you say Kin was fully**
 20 **integrated into the Kik app?**
 21 A I would say on day one there was a product
 22 that anyone who had Kin could use it within Kik.
 23 **Q And that's fully integrated to you?**
 24 A Yes.
 25 **Q Have there been subsequent iterations to give**

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Is that tension consistent with your recollection, or am I misreading that?

A There was discussion as to when to go to market with the token sale and have the token live, and some of the components around product development was an MVP being live such that it demonstrated user adoption and really served as a validation point for other developers.

So the decision to be in market with a product that was used and consumers were adopting that and using it was a key variable in a decentralized ecosystem, as the intent was not for all of the products just to be built within Kik or for Kin to be exclusively used within Kik.

So on one side, you could wait and do a very robust product development in Kik exclusively, or go to market with a product and release the tokens in the ecosystem such that other developers would be able to start building on that and iterating.

Q And the final outcome of what became the MVP, what -- how did that fit in with -- between that tension?

A The final product served as a good use case for Kik to get learnings to iterate on the product. This was an iteration made to have earn and spend.

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this, and created a test bed for users that the Product team could work on iterations through.

Q Okay. But what was the learning from the initial product from the premium stickers?

A That users did, in fact, want to engage in the stickers, but also that status was important in this chat community.

Q And how did you learn that?

A The -- that was largely driven by the Consumer Insights team, and from my understanding, they do consumer research with Kik users and look at data to validate some of their hypotheses.

Q And that was new?

That status mattered in the Kik --

A There were hypotheses about status in Kik. The -- there was never a time to actually show status in Kik prior to the -- that product.

BY MR. LEASURE:

Q Did Kik ultimately -- well, let me ask that in a better way.

The MVP that was chosen -- the ability to access status through sticker packs -- was that chosen in part because it was an easier MVP to accomplish?

A I don't know specifically why it was chosen.

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Subsequently, this year there was another product rolled out that had other premium content, which is chat themes, and I believe the team is working on a marketplace for that.

So the product that was rolled out at the time of the token sale was very valuable to Kik in gleaned some learnings and also demonstrated user adoption and something that is often referenced by other developers as a proof point of potential to build a consumer application with cryptocurrency.

BY MR. MITCHELL:

Q What learning?

A What learning?

One, that users were adopting this; the amount of content that they were sharing; and was also in conjunction with other consumer insights as to what specifically are the types of premium content.

So the learning from this was users want to express themselves.

There was other research done by the Consumer Insights team as to what specifically are areas that you would like to express yourself. That translated to being custom chat themes, so in Kik today you can purchase a theme that you actually change the background on Kik, which was never possible prior to

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My understanding of why MVPs are typically decided on is that it would be able to prove a hypothesis that the Product team had.

In this case, status was something that was a hypothesis but was never live before in Kik.

Q Was the MVP that was chosen -- the ability to access sticker packs -- was it an easier MVP to develop than the others being considered?

A I can't speak specifically to development efforts.

Q Did you ever hear developers indicate that other MVPs might take additional time or resources?

A I had heard of other MVPs that actually would have been easier.

For example, just add a peer-to-peer transaction, which was ultimately not implemented on the app.

Q You think that would have been easier than access to sticker packs?

A From my understanding, yes.

MR. MITCHELL: Why wasn't it done?

THE WITNESS: Why wasn't it done?

Peer-to-peer, in the context of Kik, was seen to have some potential risks on user safety in the Kik app specifically.